

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

THE NOTICE OF PURCHASED GAS	)	
ADJUSTMENT FILING OF LOUISVILLE	)	CASE NO. 8616-B
GAS AND ELECTRIC COMPANY	)	

O R D E R

On March 2, 1983, the Commission issued its Order in Case No. 8616 approving certain adjustments in rates and providing under certain conditions for the further adjustment of such rates when the wholesale cost of gas is increased or decreased or a refund is received.

On July 5, 1983, Louisville Gas and Electric Company ("LG&E") notified the Commission that its wholesale cost of gas would be decreased by its supplier, Texas Gas Transmission Corporation ("Texas Gas"), and that it had received a refund. It submitted with its notice certain information in compliance with its purchased gas adjustment clause on file with this Commission.

After reviewing the record in this case and being advised, the Commission is of the opinion and finds that:

(1) LG&E's notice of July 5, 1983, set out certain revisions in rates which LG&E proposed to place into effect, said rates being designed to pass on the overall wholesale decrease in price from its supplier in the amount of \$13,561,926, of which \$365,640 is applicable to gas used for

Electric Department fuel and \$13,196,286 is applicable to LG&E gas customers. The result is a downward adjustment in the purchased gas adjustment of 2.926 cents per 100 cubic feet.

(2) On June 24, 1983, Texas Gas filed revised tariffs in compliance with the Federal Energy Regulatory Commission ("FERC") Order in Docket No. RP 82-74 approving Stipulation and Agreement settlement rates.

(3) On June 27, 1983, LG&E received a cash refund from Texas Gas of \$1,361,210 covering the difference between the amount billed at the rates placed into effect November 1, 1982, and the amount which would have been billed under the settlement rates during the 5-month period ending March 31, 1983.

(4) Inasmuch as the filing of the revised tariffs by Texas Gas was too late for LG&E to make timely filings before August 1, 1983, LG&E will have an additional refund obligation in connection with purchases from Texas Gas for the months of April, May, June and July 1983.

(5) The total estimated refundable amount to LG&E's gas customers is \$2,276,114, after reduction of \$44,038 for that portion applicable to gas used as Electric Department fuel. LG&E proposed to establish a refund factor of .465 cents per 100 cubic feet effective August 1, 1983, and continuing for 12 months or until such refund obligation has

been discharged. LG&E also proposed to adjust the refundable amount of \$2,276,114 upward or downward, as the case may be, when actual figures are available.

(6) LG&E should refund the amount reported in its application plus interest at a rate equal to the average of the "3-month Commercial Paper Rate" for the immediately preceding 12-month period less 1/2 of 1 percent to cover the costs of refunding. These monthly rates are reported in the Federal Reserve Bulletin and the Federal Reserve Statistical Release.

(7) Texas Gas has filed an application for additional decreased rates to become effective August 1, 1983, with FERC.

(8) LG&E's adjustment in rates under the purchased gas adjustment provisions approved by the Commission in its Order in Case No. 8616 dated March 2, 1983, is fair, just and reasonable and in the public interest and should be effective with gas supplied on and after August 1, 1983.

IT IS THEREFORE ORDERED that the rates in the Appendix to this Order be and they hereby are authorized effective with gas supplied on and after August 1, 1983.

IT IS FURTHER ORDERED that LG&E shall apply a refund factor in the amount of .465 cents per 100 cubic feet of gas as a reduction in the purchased gas adjustment beginning on August 1, 1983, and remaining in effect until such time as necessary so that the total amount refunded will, as nearly

as possible, reflect the amount received. The refund factor will terminate when the amount refunded equals the refund herein reported plus interest.

IT IS FURTHER ORDERED that within 30 days from the date the refund factor is terminated LG&E shall file with this Commission a summary statement showing a reconciliation of customer billings and the amount refunded.

IT IS FURTHER ORDERED that within 30 days of the date of this Order LG&E shall file with this Commission its revised tariffs setting out the rates approved herein.

Done at Frankfort, Kentucky, this 29th day of July, 1983.

PUBLIC SERVICE COMMISSION

*Paul S. Murrell*  
Chairman

*Katherine Randall*  
Vice Chairman

*Len Carey*  
Commissioner

ATTEST:

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Secretary

APPENDIX A

APPENDIX TO AN ORDER OF THE PUBLIC SERVICE  
COMMISSION IN CASE NO. 8616-B DATED July 29, 1983

The following rates and charges are prescribed for the customers served by Louisville Gas and Electric Company. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the date of this Order.

Purchased Gas Adjustment:

PGA corresponding to Base Supplier Rate	(3.249)¢
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Refund Factor effective April 1, 1983, and continuing for 12 months or until company has discharged its refund obligation from Case 8616-A	(.057)
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Refund Factor effective August 1, 1983, and continuing for 12 months or until company has discharged its refund obligation from Case No. 8616-B	<u>(.465)</u>
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Total Adjustment Per 100 Cubic Feet	(3.771)¢
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The base rates for the future application of the purchased gas adjustment clause of Louisville Gas and Electric Company shall be:

	<u>Monthly Demand Charge</u>	<u>Commodity Charge</u>
Texas Gas Transmission Corporation		
Rate G-4	\$6.65	335.07¢